

P 051714Z JUN 09  
FM AMEMBASSY SAN SALVADOR  
TO SECSTATE WASHDC PRIORITY 1185  
INFO JOINT STAFF WASHINGTON DC PRIORITY  
FBI WASHINGTON DC PRIORITY  
NSC WASHINGTON DC PRIORITY

S E C R E T SAN SALVADOR 000507

NOFORN

E.O. 12958: DECL: 06/05/2019  
TAGS: [ES](#) [PINR](#) [PREL](#) [PTER](#)  
SUBJECT: FUNES GOVERNMENT'S SPLIT PERSONALITY

Classified By: Charge d'Affaires Robert Blau; Reasons 1.4(b) and (d)

11. (U) This is an action request, see paragraph 8 below.

-----  
SUMMARY:  
-----

12. (S/NF) President Mauricio Funes has assembled a cabinet that combines individuals from the leftist FMLN, some of whom have a violent, radical past; with others from an organization that coalesced around his presidential campaign called "Friends of Mauricio." The inaugural ceremony and initial statements and decisions indicate that the new GOES has two personalities living and even clashing within the same body. We are convinced that USG engagement, as exemplified by the Secretary's visit for the inauguration, reinforces Funes's own pragmatic instincts, strengthens the "Friends of Mauricio," and even moderates some parts of the FMLN. However, other parts of the FMLN are thoroughly wedded to radical left forms of organization and policies, and attract the most hostile and anti-American elements in the region and elsewhere. Funes has given authority over public security and intelligence to these elements, while at the same time weakening the military command structure.

13. (S/NF) This message seeks guidance specifically in the case of Manuel Melgar, the new Public Security and Justice Minister, who is linked to the 1985 "Zona Rosa" massacre which killed four off-duty unarmed Marine Security Guards, two other American citizens, and several additional innocent bystanders. Our challenge is to find a way to carry forward the USG commitment, reiterated by Secretary Clinton, to assist the GOES with law enforcement, despite believing that the principal interlocutor once led a terrorist organization that killed U.S. citizens. We present three suggested approaches with pros and cons for each, and formally request guidance on engaging with Melgar. End Summary.

-----  
Background:  
-----

14. (S/NF) During the presidential transition, Funes appointed Manuel Melgar as his point man for pulling together information on Public Security, making him a leading candidate for a ministerial position. Once this became public, embassy officers pointed out that Melgar had derogatory information in his file; specifically, that he was linked to the 1985 Zona Rosa killings. Researching this further, we learned the following:

-- Melgar was a top leader of the PRTC, one of the armed components of the FMLN; the PRTC publicly claimed responsibility for the Zona Rosa murders;

-- A captured guerrilla who claimed personal knowledge of the planning and execution of the operation provided testimony in the United States that linked Melgar directly to the planning of the Zona Rosa attack; the guerrilla reportedly passed a polygraph exam related to his testimony on the attack.

-- Salvadoran elites generally believe that Melgar was behind the Zona Rosa massacre: Former President Saca, his Minister of Public Security Rene Figueroa, National Public Security Commission President Oscar Bonilla, and others have expressed this directly to Embassy staff.

-- Media have also made mention of the Melgar-Zona Rosa connection. As a result of the media coverage, the widely-held perception amongst the Salvadoran public is that Melgar was involved in the Zona Rosa murder of U.S. Marine Embassy guards.

-- The Salvadoran Armed Forces and others within the GOES continued to compile information on Melgar and classify him as a potentially dangerous individual up through the present.

-- There are exhaustive interagency studies and Senate Select Committee on Intelligence reports that provide considerably more detail on the Zona Rosa murders. In summaries made available at post, none of these investigations appears to offer an obvious "smoking gun."

¶5. (S/NF) Embassy Actions: Concerned that appointment of Melgar to a position in the Public Security chain of command could create a serious impediment to U.S. - Salvadoran relations, Charge approached then President-Elect Funes quietly and expressed our reservations. Funes' reaction was to acknowledge that it was widely known in FMLN circles that

Melgar was linked to the Zona Rosa killings; he said he would see about appointing someone else and thereby avoid a controversy. Soon thereafter Funes sought confirmation with other embassy officials, the result of which was the reaffirmation of the USG concerns which the Charge originally imparted. Additionally, Embassy, keeping WHA apprised of these activities:

-- Entered Melgar in the Visas Viper system;

-- Reiterated our concerns again to Hugo Martinez, who has since been named Foreign Minister; he promised a follow-on meeting with Funes, which Funes canceled multiple times;

-- Reiterated our concerns to Nicolas Salume, a close personal adviser and the number-one financial backer of Funes. Salume agreed that Melgar would be a bad choice, but told us he believed that Funes would pick someone else;

-- Made one last run at Hugo Martinez on May 31 when media were already predicting that Melgar would be in the cabinet; Martinez relayed the message to Funes, and Funes answered that he was going ahead with the appointment.

¶6. (S/NF) As the appointment did not have a chance to be studied fully by the USG, it was not ripe for discussion when the Secretary met President Funes on his first day in office.

The Secretary was fully briefed in advance of her media interviews. As fate would have it, the local newspaper (La Prensa Grafica) journalist who interviewed the Secretary on June 1 had a question about Melgar on his list, but ran out of time before he could ask it. The story has not yet hit the U.S. media, but could at any time, since La Prensa Grafica has already run two articles in which Melgar is mentioned in connection with the Zona Rosa murders.

-----  
Suggested Policy Options:  
-----

¶7. (S/NF) After intense discussions, the Embassy's Policy Working Group formulated the following three options for responding to the Melgar appointment.

Option A: Overlook Melgar's Past and Fully Engage

Pros: Path of least resistance, bureaucratically speaking. Would seem to provide for smoothest continuity in ongoing law enforcement and judicial reform programs. Embracing Melgar

would also likely generate additional "buy in" from lower ranks (PNC, DGCP, etc.) for USG programs. Transmits message that USG won't interfere in sovereign decisions.

Cons: USG will look weak and lacking the courage to stand up for our convictions. This aura of weakness could affect other aspects of the bilateral relationship. Will send message that USG will fold if FMLN hard-liners press their agenda. Gives them the impression that they have the upper hand, and that they have license to run roughshod over the moderate component of the GOES. Potential public relations disaster in U.S. if Melgar's past become focus of media interest. Congressional inquiry (and in worse case, Congressional hold on El Salvador Merida funds) could follow, as well as outrage from family members of the murdered U.S. Marines. Bestows ex post facto legitimacy on FMLN acts of terrorism during civil war. Likely to enrage ARENA stalwarts, and convince them that USG is only in favor of good relations with whomever is in power. Looks inconsistent since many from the right are still ineligible for visas, etc., from wartime activity. Will also challenge our fair application of the Leahy Amendment.

Operational/tactical implications: Business as usual. Sign LOA,s with Melgar, do public appearances, interact as normal.

#### Option B: Work Around Melgar

Pros: Some level of continuity in law enforcement (LE) programs. Demonstrates to Funes that USG is willing to cooperate on issues of mutual interest, but that a good relationship implies some give and take. We make clear that FMLN hard-liners with bloody hands are not the best interlocutors for important bilateral programs. Provides opportunity to continue along as usual with caveats. Potentially gives Funes the chance to revisit this nomination down the road, and ease Melgar out the door in favor of improved LE cooperation with the USG. Reinforces that we have leverage in this relationship, but also demonstrates our desire to engage with GOES on crucial law enforcement and public security issues.

Cons: Gives FMLN hard-liners an excuse to bring cooperation to a halt, and/or to force a confrontation. Potentially serves to draw Funes closer into hard-liner orbit. Has the look and feel of strategic ambivalence.

Operational/tactical implications: Delicate balancing act. Must inform Funes that we will not work with Melgar, but are willing to continue cooperating with GOES on LE issues. Need to keep Melgar at arms length, but at same time keep programs and working relationship viable. All LOA,s signed with MFA.

Must implement programs through either working level contacts at Public Security Ministry, and/or MFA, Melgar's Deputy Minister, Attorney General, or some combination thereof. Places premium on flexibility, adaptability, and ability to maneuver successfully in complex environment.

#### Option C: Refuse to Deal with Melgar on Any Level

Pros: Establishes clear boundaries, and communicates to both Funes and FMLN hard-liners the seriousness of our convictions. Will not bestow legitimacy on Melgar or FMLN wartime-era terrorism. Sends message that good bilateral relationship with the USG is not automatic. Could potentially help to shore up Funes' moderate inner circle if handled correctly. Will reassure Salvadoran public that USG has not forgotten that FMLN has dark side that must be restrained if democracy is to flourish here. Consistent with purported legislative intent of Leahy Amendment. Demonstrates strategic clarity.

Cons: Could precipitate a clash with Funes. Has potential to publicly embarrass him and drive him towards hard-liners. Could result in rupture of law enforcement cooperation and assistance. Potentially offers hard-liners excuse to turn to Cubans, Venezuelans, etc., for public security assistance.

Excluding Melgar could be interpreted as inconsistent with the commitment by Secretary Clinton to Funes to work together on law enforcement issues.

Operational/tactical implications: USG ostracizes Melgar and does not participate in events where he is the key interlocutor. Embassy requests that Funes designate another principal GOES point of contact for LE, public security, and Merida programs. All LOAs signed with MA. PA crafts strategy to deal with inevitable P fallout. All cooperation capped at level of National Civilian Police (PNC) Director, or through another part of GOES. Likely to generate Public Security Ministry obstructionism and interference in course of implementing Merida and other LE programs. Difficult issues such as Melgar access to LEA, handling of public events when he appears, etc., a constant to be dealt with.

-----  
Action Requests:  
-----

18. (S/NF) Embassy requests a full interagency review of all pertinent information held on Melgar and the Zona Rosa murders. We also request formal guidance for how we are to proceed, along the lines of options A, B, and C, as discussed in paragraph seven, or any other option the USG deems appropriate.

19. (S/NF) Comment: How the USG responds, or not, will be watched very closely by Salvadoran elites, media, civil society, the private sector, and public at large. All of them, plus the now opposition ARENA, want and expect the USG to engage the Funes government at some level. The key questions for this exercise are: (1) How much and how soon do we believe engagement means pushing back assertively against the influence of the hard-line part of the FMLN, and (2) Do we have enough to go on to decide to take a stand on this case? End comment.

BLAU